

**FILED**

DEC 22 2005

BEFORE THE DEPARTMENT OF INSURANCE **NEBRASKA DEPARTMENT OF INSURANCE**  
STATE OF NEBRASKA

STATE OF NEBRASKA )  
DEPARTMENT OF INSURANCE, )  
 )  
PETITIONER, )  
 )  
VS. )  
 )  
RICHARD A. PETERS, )  
PRODUCERS INSURANCE AGENCY, )  
INC., PETERS AND ASSOCIATES, )  
AUTO INSURANCE CENTER, and )  
CAREER ACHIEVEMENT, )  
 )  
RESPONDENTS. )

CONSENT ORDER

CAUSE NO. A-1649

In order to take steps toward resolving this matter, the Nebraska Department of Insurance ("Department"), by and through its attorney, Janette L. Adair and Producers Insurance Agency, Inc., Peters and Associates, Auto Insurance Center, Career Achievement, and Richard A. Peters ("Respondents"), mutually stipulate and agree as follows:

JURISDICTION

1. The Department has jurisdiction over the subject matter and Respondents pursuant to Neb. Rev. Stat. §§44-101.01, and 44-4047 et seq. (Reissue 2004).
2. Respondents Producers Insurance Agency, Inc., Peters and Associates, and Auto Insurance Center were licensed as insurance agencies under the laws of Nebraska at all times material hereto.
3. Respondent Career Achievement was licensed as an insurance educational course sponsor under the laws of Nebraska at all times material hereto.
4. Respondent Richard A. Peters was licensed as an insurance producer under the laws of Nebraska at all times material hereto.

### STIPULATIONS OF FACT

1. The Department initiated this administrative proceeding by filing a petition styled State of Nebraska Department of Insurance vs. Richard A. Peters, Producers Insurance Agency, Inc., Peters and Associates, Auto Insurance Center, and Career Achievement, Cause Number A-1649 filed on December 2, 2005. A copy of the petition was served upon the Respondents at the Respondents' address registered with the Department by certified mail, return receipt requested.

2. Respondents violated Neb. Rev. Stat. §§ 44-319, 44-4059(1)(b), 44-4059(1)(d), and 44-4059(1)(h) (Reissue 2004) as a result of a lack of proper recordkeeping and accountability with regard to insurance financial accounts, as follows:

- a. Respondents' careless recordkeeping does not allow reconciliation or tracing of premium dollars received from consumers in the course of insurance business.
- b. Respondents' careless recordkeeping does not provide the checks and balances necessary to determine if all premium dollars received from consumers are deposited in the appropriate account.
- c. Respondents' careless recordkeeping does not provide the checks and balances necessary to determine if insurance policies are issued to all consumers that remitted insurance premiums to Respondents.
- d. Respondents' careless recordkeeping does not provide the checks and balances necessary to determine if all premium dollars received from consumers are remitted to the appropriate insurance company.
- e. Respondents are commingling premium dollars between the various business entities in various bank accounts.
- f. Respondents issued checks to insurers for payment of premiums that were returned by Respondents' bank for insufficient funds.

- g. Electronic transfers from Respondents' accounts to insurers for payment of premiums have resulted in the Respondents' accounts being overdrawn.
- h. Respondents have incurred substantial overdraft and insufficient fund penalties on business bank accounts containing premium dollars received from consumers.
- i. Checks issued by Respondents on various bank accounts have been refused by Respondents' bank for insufficient funds.
- j. Respondents have incurred substantial late penalties and over credit limit penalties on various credit cards.
- k. Respondents' failure to pay federal taxes has resulted in multiple federal tax liens being filed against Respondent Producers Insurance Agency, Inc.

3. Respondents were informed of the right to a public hearing. Respondents waive that right, and enter into this Consent Order freely and voluntarily. Respondents understand and acknowledge that by waiving the right to a public hearing, Respondents also waives the right to confrontation of witnesses, production of evidence, and judicial review.

4. Respondents admit the allegations stated in Paragraph 2 above.

#### CONCLUSIONS OF LAW

Respondents' conduct as alleged above constitutes a violation of Neb. Rev. Stat. §§ 44-319, 44-4059(1)(b), 44-4059(1)(d), and 44-4059(1)(h) (Reissue 2004).

#### CONSENT ORDER

It is therefore ordered by the Director of Insurance and agreed by Respondents, Richard A. Peters, Producers Insurance Agency, Inc., Peters and Associates, Auto Insurance Center, and Career Achievement, that Respondents shall:

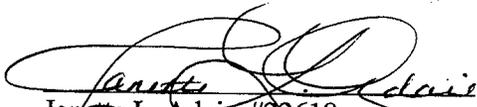
- 1. Establish a new bank account for all premium funds. All premium funds received by Respondents shall be deposited into this account, and all premium payments to

insurers shall be remitted from this account. No funds in this account can be removed or drawn upon by Respondents for any purpose other than to remit premiums to the appropriate insurer.

2. Hire an independent bookkeeper to:
  - (a) audit Respondents' financial records, and provide a list to the Department detailing any insurance premiums remitted to Respondents that cannot be found to have been deposited in Respondents' bank accounts;
  - (b) audit Respondents' financial records, and provide a list to the Department detailing any insurance premiums deposited in Respondents' bank accounts that were not remitted to the appropriate insurer;
  - (c) implement a system of checks and balances to ensure proper tracing and reconciliation of all future insurance premiums received by Respondents;
  - (d) determine if insurance policies have been issued to all consumers remitting insurance premiums to Respondents during the last twelve months, and provide a list to the Department of all consumers remitting premiums to Respondents who have not been issued an insurance policy;
  - (e) furnish a report to the Department regarding the status of Respondents' business records and financial condition, including but not limited to a balance sheet, income statement, and general ledger transaction report.
3. Provide a statement to Department certifying that payments on all bank loans secured by Respondents' office equipment are current and not in arrears;
4. Furnish documentation detailing status of federal tax liens, and payment schedule implemented to satisfy said liens;

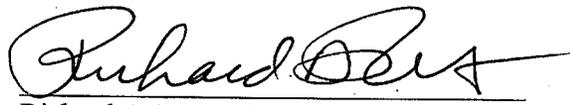
5. Pay all costs associated with implementing the terms of this consent order.

On or before January 16, 2006, Respondents shall act upon all matters noted in the petition, and furnish documentation to Department evidencing that all aforementioned items have been completed. It shall be exclusively within the purview of the Department to determine the adequacy of the documentation presented by Respondents. In the event that the Department determines that Respondents have furnished adequate documentation revealing that proper accounting and financial safeguards have been implemented for the protection of policyholders, and all other items in the petition have been resolved, Department shall notify Respondents of this determination and Respondents shall pay an administrative fine in the amount of fifteen thousand dollars (\$15,000.00) due within 60 days after the date of said notification. If Respondents fail to pay this administrative fine within the time specified, Respondents insurance licenses will be automatically revoked. In the event that the Department determines that the documentation is not adequate or the financial accounts of Respondents are still in disarray and do not adequately reveal appropriate and proper accounting and financial safeguards for the protection of policyholders, the Department will proceed with scheduling a hearing seeking the revocation of Respondents' insurance licenses. In witness of their intention to be bound by this Consent Order, each party has executed this document by subscribing their signature below.



Janette L. Adair, #22618  
Attorney for Petitioner  
941 "O" Street, Suite 400  
Lincoln, NE 68508  
(402) 471-2201

12-20-05  
Date



Richard A. Peters, Respondent

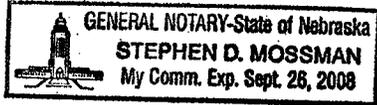
12-19-2005  
Date

[Signature]  
Attorney for Respondent

12/19/2005  
Date

State of Nebraska )  
County of Lancaster ) ss.  
)

On this 19<sup>th</sup> day of December, 2005, Richard A. Peters personally appeared before me and read this Consent Order, executed the same and acknowledged the same to be his voluntary act and deed.



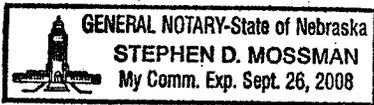
[Signature]  
Notary Public

[Signature]  
Producers Insurance Agency, Inc.,  
Respondent

By: Richard A. Peter, President  
12-19-2005  
Date

State of Nebraska )  
County of Lancaster ) ss.  
)

On this 19<sup>th</sup> day of December, 2005, Richard A. Peter appeared personally appeared before me on behalf of Producers Insurance Agency, Inc., read this Consent Order, executed the same and acknowledged the same to be their voluntary act and deed.



[Signature]  
Notary Public

Richard Peters

Peters and Associates, Respondent

By: Richard A. Peters, President

12-19-05

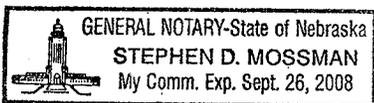
Date

State of Nebraska )

) ss.

County of Lincoln )

On this 19<sup>th</sup> day of December, 2005, Richard A. Peters personally appeared before me on behalf of Peters and Associates, read this Consent Order, executed the same and acknowledged the same to be their voluntary act and deed.



Stephen D. Mossman

Notary Public

Richard Peters

Auto Insurance Center, Respondent

By: Richard A. Peters, President

12-19-2005

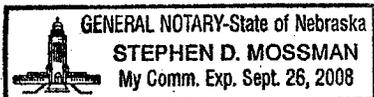
Date

State of Nebraska )

) ss.

County of Lincoln )

On this 19<sup>th</sup> day of December, 2005, Richard A. Peters personally appeared before me on behalf of Auto Insurance Center, read this Consent Order, executed the same and acknowledged the same to be their voluntary act and deed.



Stephen D. Mossman

Notary Public

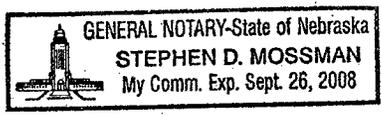
Richard A. Peters  
Career Achievement, Respondent

By: Richard A. Peters, President

12-19-2005  
Date

State of Nebraska )  
County of Lancaster ) ss.

On this 19<sup>th</sup> day of December, 2005, Richard A. Peters appeared personally appeared before me on behalf of Career Achievement, read this Consent Order, executed the same and acknowledged the same to be their voluntary act and deed.

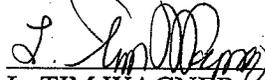


Stephen D. Mossman  
Notary Public

CERTIFICATE OF ADOPTION

I hereby certify that the foregoing Consent Order is adopted as an Order of the Nebraska Department of Insurance in the matter of State of Nebraska Department of Insurance vs. Richard A. Peters, Producers Insurance Agency, Inc., Peters and Associates, Auto Insurance Center, and Career Achievement, Cause Number A-1649.

STATE OF NEBRASKA  
DEPARTMENT OF INSURANCE

  
\_\_\_\_\_  
L. TIM WAGNER  
Director of Insurance

12/22/05  
\_\_\_\_\_  
Date

CERTIFICATE OF SERVICE

I hereby certify that a copy of the executed Consent Order was served upon the Respondents by mailing a copy to Respondents at 122 South 29<sup>th</sup> Street, P.O. Box 83589, Lincoln, NE 68501 by certified mail, return receipt requested on this 23<sup>rd</sup> day of December 2005.

